Investigation of companies involved in oil for food scam

3229. SHRI S. S. AHLUWALIA: Will the Minister of FINANCE be pleased to state:

(a) whether investigations have been carried out by Income Tax department and Enforcement Directorate into the accounts of all the 125 companies named in the report of the United Nations Independent Inquiry Committee (Volcker Committee) for their involvement in evasion of income tax and payment of kickbacks to former Saddam Hussein regime in Iraq as assured by him at the Annual Economic Editors Conference in November, 2005;

(b) if so, the salient findings thereof; and

(c) the details of action initiated by the respective departments in the light of their probes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The Income Tax authorities concerned have been directed to verify the transactions of the companies named in the report of the United Nations Independent Inquiry Committee (Volcker Committee) on the oil-for-food programme of Iraq. In one of the cases, enquiries have led to a search and seizure action under Section 132 of the Income Tax Act, 1961. No other instance of tax evasion has been reported till date.

The Enforcement Directorate is also examining the matter for possible contravention of the Foreign Exchange Management Act, 1999, if any.

Introduction of charges for Services by SBI

3230. SHRIMATI MOHSINA KIDWAI: Will the Minister of FINANCE be pleased to state:

(a) whether State Bank of India has recently re-determined/ introduced charges for various services they are offering to their clients like making of drafts, withdrawals, etc.;

(b) the details of the services for which the clients are charged by the SBI and the rates therefor;

(c) whether these rates are much higher as compared to those of other nationalized banks; if so, the reasons therefor;

(d) what are Government/SBI guidelines/instructions, if any, on the subject; and

(e) the reasons for SBI not falling in line with other nationalized banks and charging a higher rate?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) State Bank of India (SBI) have reported that the service charges have been revised with effect from 1st February, 2006. The service charges are displayed on the Bank's website www.sbi.co.in.

(c) to (e) With effect from September, 1999, banks have been given freedom by the Reserve Bank of India (RBI) to fix their service charges for various types of services rendered by them with the approval of their Board of Directors. However, banks have been advised that while fixing service charges for various type of services provided by them, they should ensure that charges are reasonable and not out of line with the average cost of providing these services. Further, banks have also been advised to ensure that the customers with low volume of activities are not penalised.

Kisan Credit Card Scheme

3231. SHRI S.S. CHANDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether Kisan Credit Card scheme is being implemented in the country now;

(b) if so, the details thereof;

(c) the amount of funds sanctioned under the scheme during the first year of the scheme and during the current year; and

(d) whether there is any proposal to extend this scheme to benefit more farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes, Sir, Kisan Credit Card (KCC) Scheme is in operation since August 1998 and it was primarily intended to cater to the short-term credit requirements of the farmers.